

Message Text

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PAGE 01 KUWAIT 01938 070733Z

17

ACTION NEA-09

INFO OCT-01 AF-06 ARA-06 EUR-12 EA-06 ISO-00 ERDA-05

AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00 EB-07

FPC-01 H-02 INR-07 INT-05 L-02 NSAE-00 NSC-05 OMB-01

PM-03 USIA-06 SAM-01 OES-03 SP-02 SS-15 STR-04

TRSE-00 FRB-03 FEA-01 IO-10 PA-01 PRS-01 /132 W

----- 047856

R 070505Z MAY 75

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 2915

INFO AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

AMEMBASSY AMMAN

AMEMBASSY BEIRUT

AMEMBASSY CAIRO

AMEMBASSY CARACAS

AMEMBASSY DAMASCUS

AMEMBASSY DOHA

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KHARTOUM

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON

AMEMBASSY MANAMA

AMEMBASSY MOGADISCIO

AMEMBASSY MUSCAT

AMEMBASSY NOUAKCHOTT

AMEMBASSY QUITO

AMEMBASSY RABAT

AMEMBASSY SANAA

AMEMBASSY TEHRAN

AMEMBASSY TRIPOLI

AMEMBASSY TUNIS

AMEMBASSY VIENNA

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PAGE 02 KUWAIT 01938 070733Z

USINT BAGHDAD

USMISSION OECD PARIS
USMISSION EC BRUSSELS

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E.O. 11652: N/A
TAGS: EALR, ENRG, EFIN, KU, XF
SUBJECT: OAPEC COUNCIL OF MINISTERS MEETING

SUMMARY: OAPEC COUNCIL OF MINISTERS MET IN KUWAIT MAY 3-4 AND DECIDED TO PROVIDE AN ADDITIONAL \$80 MILLION TO ARAB OIL IMPORTING STATES FOR BALANCE OF PAYMENTS ASSISTANCE. IN ADDITION NEW ARAB PETROLEUM SERVICES COMPANY WILL BE FORMED, AND OAPEC WILL SUPPORT ARAB MARITIME ACADEMIES. SECRETARIAT AUTHORIZED TO TAKE STEPS IN ENERGY, LEGAL AND MANPOWER AFFAIRS. DECISION TO DOUBLE CAPITALIZATION OF AMPTC WAS DELAYED, AND MINISTERS DECIDED TO LEAVE ANY DISCUSSION OF OIL PRICES TO OPEC. END SUMMARY
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1. OAPEC COUNCIL OF MINISTERS MEETING HELD IN KUWAIT MAY 3-4. MINISTERS MADE SEVERAL DECISIONS THAT LIKELY WILL DOMINATE WORK OF ORGANIZATION IN NEAR FUTURE. THESE INCLUDE FOLLOWING:

A. \$80 MILLION WILL BE SET ASIDE FOR BALANCE OF PAYMENTS ASSISTANCE TO ARAB OIL IMPORTING COUNTRIES. THIS IS IN ADDITION TO \$80 MILLION SET ASIDE LAST YEAR. AS WITH ORIGINAL ALLOCATION, FUNDS WILL BE MANAGED BY ARAB FUND FOR ECONOMIC AND SOCIAL DEVELOPMENT WHICH ALSO HEADQUARTERED IN KUWAIT.

B. AN ARAB PETROLEUM SERVICES COMPANY TO BE HEADQUARTERED IN TRIPOLI WILL BE SET-UP. IT IS LIKELY TO BE AN UMBRELLA COMPANY WITH SUBSIDIARIES FOR DRILLING, EXPLORATION, ETC. ITS CLIENTS ARE EXPECTED TO INCLUDE NATIONAL OIL COMPANIES OF OAPEC MEMBERS. INITIAL CAPITALIZATION WILL BE \$375 MILLION.

C. THREE NEW ARAB MARITIME ACADEMIES WILL BE ESTABLISHED IN JIDDA, DOHA AND BASRA. IN ADDITION OAPEC WILL SUPPORT EXISTING LIMITED OFFICIAL USE

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PAGE 03 KUWAIT 01938 070733Z

ACADEMY IN ALEXANDRIA AND TRAINING CENTER IN ALGIERS.

D. SECRETARY GENERAL WAS ADVISED TO CALL A MEETING OF LEGAL EXPERTS TO EXAMINE MARITIME LAWS OF OAPEC COUNTRIES AND STANDARDISE CLAUSES RELATING TO TRANSPORT OF HYDROCARBONS.

E. SECRETARY GENERAL WAS CHARGED WITH PREPARING SURVEY OF OAPEC TECHNICAL MANPOWER REQUIREMENTS AND CAPABILITIES OVER

THE NEXT FIVE YEARS.

F. SECRETARY GENERAL WAS ASKED TO STUDY ESTABLISHMENT OF
OAPEC ENERGY INSTITUTE OR CENTER (SEE KUWAIT 1820 (NOTAL)).
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2. OAPEC DECIDED NOT TO TAKE ACTION IN TWO AREAS. DECISION
TO DOUBLE CAPITALIZATION OF ARAB MARITIME PETROLEUM TRANSPORT
COMPANY (AMPTC) TO \$1 BILLION WAS POSTPONED BECAUSE TWO
DELEGATIONS WERE WITHOUT INSTRUCTIONS. IN ADDITION IT WAS
DECIDED THAT NO DISCUSSION OF OIL PRICES SHOULD BE HELD
FORMALLY IN OAPEC FORUM BECAUSE NON-ARAB OPEC MEMBERS MAY BE
UPSET. IT WAS AGREED THAT OIL PRICE DISCUSSIONS SHOULD BE HELD
ONLY IN OPEC FORUM. IN DECIDING ON ESTABLISHMENT OF ENERGY
CENTER, OAPEC DECIDED NOT TO START WITH LARGE PROGRAM AS SOME
MEMBERS WANTED. INSTEAD, IT WILL START IN SMALL AND QUIET
MANNER TO ACCUMULATE INFORMATION ON ALTERNATIVE SOURCES OF
ENERGY AND RELATED ECONOMIC QUESTIONS.

3. COMMENT: NEW OAPEC PROGRAMS LIKELY WILL OCCUPY MOST OF
ORGANIZATION'S TIME AND ATTENTION IN NEAR FUTURE NOW THAT ARAB
TANKER FLEET AND BAHRAIN DRY DOCK PROJECTS ARE UNDERWAY.
ESTABLISHMENT OF OAPEC-SPONSORED FACILITIES IN IRAQ AND
LIBYA WAS NO ACCIDENT, AND THUS THERE IS A CERTAIN "PORT-
BARREL" FEATURE TO MINISTERS' DECISIONS. LESS GLAMOROUS BUT
PERHAPS OF REAL VALUE AND INTEREST WILL BE OAPEC STUDIES ON
LEGAL, MANPOWER AND ENERGY QUESTIONS. THESE ARE LIKELY
TO BE DONE IN SERIOUS AND PROFESSIONAL MANNER UNDER GENERAL
GUIDANCE OF OAPEC SYG ALI ATEEQA. WE NOTE THAT EACH AREA IS
ONE IN WHICH USG COULD PROBABLY PROVIDE SOME USEFUL AND WELCOME
ASSISTANCE IN A QUIET WAY. END COMMENT
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PAGE 04 KUWAIT 01938 070733Z

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4. NEXT OAPEC COUNCIL OF MINISTERS MEETING SCHEDULED TO BE HELD
IN RIYADH NOVEMBER 22.
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TAGS: EALR, ENRG, EFIN, KU, XF, OAPEC
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